



STATE OF ALABAMA

ALABAMA PUBLIC SERVICE COMMISSION
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TWINKLE ANDRESS CAVANAUGH, ASSOCIATE COMMISSIONER, PRESIDENT

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CHRIS "CHIP" BEEKER, JR., ASSOCIATE COMMISSIONER

JOHN A. GARNER, EXECUTIVE DIRECTOR

September 28, 2018

DOCKET FILE COPY ORIGINAL

Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: CC Docket No. 96-45/WC Docket No. 14-58, Annual State Certification of
Support For Eligible Telecommunications Carriers Pursuant to 47 C.F.R. § 54.314

By order dated September 27, 2018 the Alabama Public Service Commission ("APSC") submitted to the Federal communications Commission its 2019 Annual State Certification of Support for Eligible Telecommunications Carriers. On Page 4 of this order the APSC accidentally omitted Millry Telephone Company ("Millry") from the list of A-CAM carriers. In addition, throughout the order GTC, Inc., d/b/a FairPoint Communications should have been listed as GTC, Inc., d/b/a Consolidated Communications due to a name change.

Please find attached the substituted order correcting these oversights. Thank you for your understanding and assistance in this matter.

Sincerely

John A. Garner
Executive Director
Alabama Public Service Commission

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**IN RE: IMPLEMENTATION OF THE
UNIVERSAL SERVICE REQUIREMENTS
IN THE TELECOMMUNICATIONS ACT
OF 1996, SECTION 254 AND 47 C.F.R §
54.314**

DOCKET 25980

**CERTIFICATION OF CARRIERS
RECEIVING FEDERAL UNIVERSAL
SERVICE FUND HIGH COST
SUPPORT FOR 2019**

FURTHER REPORT AND ORDER

BY THE COMMISSION:

Due to a scrivener's error in the order entered in the above-referenced docket on September 27, 2018, this order takes the place of and is substituted for the order entered in this cause on September 27, 2018.

I. Introduction and Background

By Order entered in this cause on October 25, 2017, Eligible Telecommunications Carriers ("ETCs") in Alabama, that are subject to the Alabama Public Service Commission's ("Commission") jurisdiction, were ordered to file their proposals for utilization of projected 2019 federal high-cost universal service support (the "2019 high-cost support") by no later than July 10, 2018. By order released June 6, 2018, under WC Docket 10-90, the FCC Wireline Competition Bureau, on its own motion granted a brief, limited waiver of the filing deadline, extending it until July 16, 2018. The Commission's Order afforded interested parties the latitude to submit

comments in response to those filings no later than July 24, 2018, with any reply comments due on or before July 31, 2018.

The Federal Communication Commission (“FCC”) price cap carriers indicate their plan and intent is to make broadband available to eligible living units in the census blocks identified by the FCC pursuant to requirements and benchmarks. The price cap carriers in Alabama are:

1. CenturyTel of Alabama, LLC d/b/a CenturyLink (Southern), CenturyTel of Alabama, LLC d/b/a CenturyLink (Northern) and Gulf Telephone Company LLC d/b/a CenturyLink (collectively “CenturyLink”);
2. BellSouth Telecommunications LLC d/b/a AT&T Alabama (“AT&T”);
3. Windstream Alabama, LLC (“Windstream”);
4. GTC, Inc., d/b/a Consolidated Communications/GTC (“Consolidated”);
5. Frontier Communications of Alabama, LLC, Frontier Communications of Lamar County, LLC and Frontier Communications of the South, LLC (collectively “Frontier”).

The Alabama price cap carrier certifications are attached in Appendix “B”.

Beginning with the FCC’s November 18, 2011, Connect America Fund (“CAF”) Order, the FCC made significant changes to federal universal service support, primarily by redirecting the funds from the support of voice service in rural high-cost areas to the support of broadband capable networks in specific unserved or underserved areas.¹ This transition has taken place in stages, with different implementation schedules for price-cap and rate-of-return carriers. As part of the Transformation Order,² the FCC also created uniform annual compliance and reporting rules for all FCC high-cost support recipients. For price-cap carriers, the transition has culminated in the offer and acceptance of Connect America Phase II (“CAF II”) funding.³ Under CAF II, the

¹ *Report and Order and Further Notice of Proposed Rulemaking, Connect America Fund; A National Broadband Plan for Our Future; Establishing Just and Reasonable Rates for Local Exchange Carriers; High-Cost Universal Service Support; Developing an Unified Intercarrier Compensation Regime; Federal-State Joint Board on Universal Service; Lifeline and Link-Up; Universal Service Reform – Mobility Fund*, WC Docket Nos. 10-90, 07-135, 05-337, 03-109; GN Docket No. 09-51; CC Docket Nos. 01-92, 96-45; WT Docket No. 10-208; and FCC 11-161, rel. Nov. 18, 2011 (the “Connect America Fund Order” or “CAF-ICC Order”).

² *USF/ICC Transformation and Rule Clarification and Correction Order*, WC Docket Nos. 10-90, 12-63; CC Docket No. 01-92; DA-13-564, rel. Mar. 27, 2013.

³ *Order In the Matter of Connect America Fund*, WC Docket No. 10-90, rel. May 16, 2013 (the “CAF II Order”).

FCC made specific statewide funding offers to each carrier for the deployment of broadband networks capable of at least 10 Mbps download/1 Mbps upload broadband speed in certain eligible areas in each state.⁴ With the acceptance of the CAF II state-level commitment in 2015, the previous federal high-cost funding (CAF I frozen support) ceased for price-cap carriers in Alabama. The public interest obligations, annual reporting requirements and compliance and recordkeeping requirements associated with CAF II support are detailed in the FCC CAF II Orders and codified in Part 54 of the FCC's rules. Specifically, for CAF II, the compliance requirements focus on year-end location milestones beginning in 2017, within which carriers must have enabled 10/1 Mbps broadband speeds to a specified number of locations (i.e., 40% of the locations by end-of-year 2017, 60% by 2018, 80% by 2019, and 100% by 2020⁵). The FCC adopted these detailed reporting mechanisms for filings with the FCC, Universal Service Administrative Company ("USAC") and state commissions to facilitate regulatory oversight and to ensure that the requirements for using the funds are met.

In the *April 2014 Connect America Order/FNPRM*,⁶ the FCC proposed a voluntary election by rate-of-return ("ROR") ETCs to receive model-based support in lieu of the existing (legacy) high-cost support mechanisms. On August 3, 2016, the FCC announced the offer of high-cost support and deployment obligations for each ROR ETC in a state based on the final version of the Alternative Connect America Cost Model ("A-CAM"). The A-CAM is a voluntary path under which rate-of-return carriers may elect model-based support for a term of 10 years in exchange for

⁴ ETCs receiving CAF II dollars continue to have the obligation to provide voice service in areas where they receive the CAF II support.

⁵ In addition, the rules allow for shortfalls in locations in 2020 to be remedied in 2021.

⁶ *Connect America Fund et al.; Omnibus Order and Further Notice of Proposed Rulemaking*, WC Docket Nos. 10-90, 14-58, 07-135; WT Docket No. 10-208; CC Docket No. 01-92; and FCC 14-54, rel. Apr. 23, 2014.

meeting defined build-out obligations.⁷ In its September 27, 2016 Order, the Commission required that ROR carriers electing to receive high-cost support pursuant to the A-CAM report their election to the Commission's Utility Services Division ("USD") of their final acceptance of such funding. Millry Telephone Company ("Millry"); Brindlee Mountain Telephone, LLC, Blountsville Telephone, LLC, Otelco Telephone, LLC, Hopper Telephone, LLC, (collectively "Otelco"); Butler Telephone Company, Peoples Telephone Company, Oakman Telephone Company (collectively "TDS"); National Telephone Company, Roanoke Telephone Company (collectively "TEC") informed the Commission's USD of acceptance to receive A-CAM funding. The remaining ROR carriers are subject to the existing (legacy) ROR support and mechanism reforms and receive Broadband Loop Support ("BLS").⁸ The FCC ROR carriers in Alabama certifications are attached in Appendix "C"

The non-incumbent Local Exchange Carriers (Hayneville Fiber Transport, Inc. and Troy Cablevision, Inc.) continue to receive frozen high cost support. Carriers will continue to receive high cost support in an amount equal to its CAF Phase I support until the first month that the winner of any competitive bidding process receives support under CAF II.⁹ The FCC non-incumbent Local Exchange Carriers receiving high-cost support in Alabama certifications are attached in Appendix "D".

On various dates in 2018, all Alabama ETCs identified individually in Appendix "A" hereto submitted certifications regarding their planned utilization of 2019 high-cost support.

II. CenturyLink's Planned Utilization of 2019 High-Cost Support

⁷ *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order et al., para. 4 (2016) (*March 2016 Connect America Order and/or FNPRM*).

⁸ *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order et al., para. 80 (2016) (*March 2016 Connect America Order and/or FNPRM*).

⁹ *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order et al., para. 187 (2014) (*June 2016 Connect America Order and/or FNPRM*).

On August 27, 2015, CenturyLink notified the Commission that it had accepted the FCC's offer of funding to enable access to broadband service for 48,865 locations in Alabama, encompassed by both CenturyTel of Alabama, LLC's and Gulf Telephone Company LLC's service areas

In accordance with its acceptance of the CAF II funding, by filing dated June 16, 2017 and reaffirmed June 12, 2018, CenturyLink submitted a proposal for utilizing its projected 2018 high-cost support.

III. AT&T's Planned Utilization of 2019 High-Cost Support

Based on AT&T's acceptance of CAF II support and associated requirements on August 27, 2015, AT&T's, indicated in filing dated July 10, 2017, that AT&T is currently working to deploy broadband to 60% of the 66,766 CAF II living units in AT&T's service territory by the end of 2018. In its filing of July 10, 2018, AT&T indicated that this effort to achieve the 60% requirement will continue in 2018 with an additional 20% deployment in 2019. This will be accomplished primarily, if not completely, via a fixed wireless platform.

IV. Windstream Alabama, LLC

Windstream Alabama, LLC ("Windstream") Alabama, accepted CAF II funding on August 5, 2015. Windstream's certification was filed with the Commission on June 24, 2015. On September 11, 2017, it filed an affidavit certifying its compliance with, and eligibility under, the FCC rules applicable to USF high-cost support, plus stated that it plans to continue to utilize its CAF II support with the goal of meeting or exceeding the 60% milestone of enabling at least 1133 of the 1,889 locations to be served within the eligible areas with broadband capable of providing 10 Mbps download/1Mbps upload by December 31, 2018. Windstream will utilize the CAF II

support in 2018 for investment and expenses that may include extension of fiber, deployment and maintenance of broadband capable equipment and enabling of broadband service in CAF II eligible areas. Windstream's June 14, 2018 filing stated that it has already provided broadband to 2,423 locations, which is in excess of the 1,889 locations identified by the FCC required by the CAF II program. In addition, Windstream has provided 87% of these locations with higher speeds than required minimum speed required by the CAF II program.

VI. GTC, Inc., d/b/a Consolidated/GTC Communications

GTC, Inc., d/b/a Consolidated Communications/GTC ("Consolidated") Alabama accepted CAF II funding on August 18, 2015. On June 29, 2017, it filed a certification of its compliance with, and eligibility under, the FCC rules applicable to USF high-cost support and stated that it plans to continue to utilize its CAF II support with the goal of meeting or exceeding the 60% milestone of enabling at least 960 locations within the eligible areas with broadband capable of providing 10 Mbps download/1Mbps upload by December 31, 2018. On July 5, 2018 Consolidated filed an affidavit stating that it will continue to use the high cost funding pursuant to the FCC rules and regulations. Consolidated will utilize the CAF II support in 2019 for investment and expenses that may include extension of fiber, deployment and maintenance of broadband capable equipment and enabling of broadband service in CAF II to an additional 20% eligible areas by December 31, 2019.

VII. The Frontier Companies

Frontier Communications of Alabama, LLC, Frontier Communications of Lamar County, LLC and Frontier Communications of the South, LLC (collectively "Frontier") accepted CAF II funding on June 15, 2015. On May 1, 2017, Frontier filed a certification of its compliance with,

and eligibility under, the FCC rules applicable to USF high-cost support and stated that it plans to continue to utilize its CAF II support with the goal of meeting or exceeding the 60% milestone of enabling at least 4,425 broadband locations by December 31, 2018. On May 3, 2018 Frontier filed certification that it will continue to use the high cost funding pursuant to the FCC rules and regulations. Frontier will utilize the CAF II support in 2019 for investment and expenses that may include extension of fiber, deployment and maintenance of broadband capable equipment and enabling of broadband service in CAF II eligible areas to an additional. 20% by December 31, 2019.

VIII. Staff findings

The FCC has implemented extensive reporting requirements for recipients of the CAF II, ROR A-CAM, ROR legacy, and non-incumbent local exchange carrier funds. These requirements include the annual submission of detailed information on the FCC Form 481, including an Outage Report; Unfilled Requests for Service; Complaints per 1000 Connections; Certifications; Current Price Offerings; Company Identification; Tribal Outreach; Areas with No Terrestrial Backhaul (if applicable); and Additional Voice Rate Data. Further, ETCs receiving high cost funding are required to report quarterly/annually to USAC the specific location and deployment obligation obtained. Further, the Commission's USD, in years prior to 2018, has received the reporting requirements from the ETCs receiving high-cost funding. By order released July 7, 2017, under WC Docket No. 10-90 and WC Docket No. 14-58 ("2017 FCC Order"), the FCC streamlined the annual reporting requirements for ETC's that receive high-cost universal service support by eliminating the requirement that ETC's submit a duplicate copy of the FCC Form 481 filing to state commissions contingent upon USAC providing the capability for state commissions to access the documentation via an online, electronic portal. Based on this the Commission issued

an order in this docket to amend its October 25, 2017 Order to remove the requirement that ETC's submit a duplicate copy of their FCC Form 481 to the Commission's USD effective beginning with the July annual filing deadline and applicable annual FCC Form 481 filings thereafter. Staff believes the Commission will be able to adequately assess high-cost ETC's compliance with the requirements based on a review of its federal reports, as well as location and deployment obligations data submitted to the FCC and USAC. Staff can follow up to address any questions or concerns through data requests or meetings with the company. Subject to these reporting and disclosure requirements, the Commission approves the high cost ETC's 2019 high-cost proposals.

IX. Discussion and Conclusions

We hereby approve the proposals submitted in this cause by FCC designated price cap carriers, ROR carriers, and the non-Incumbent Local Exchange Carrier ETCs governing their expenditure of federal high-cost universal service support during the year 2019. We will certify to the FCC that those plans are compliant with the provisions of §254(e) of the Telecommunications Act of 1996 and 47 C.F.R. § 54.

We specifically note, however, that our approval herein is contingent upon the staff's continued monitoring of the implementation of the aforementioned plans. The Commission specifically reserves the right to conduct any proceedings that may be necessary to determine if the funding is being used for the intended purpose.

In accordance with 47 C.F.R. § 54, any recipient of CAF II, ROR, or non-incumbent local exchange carrier recipient of high-cost funding shall file the information required by the Form 481 with the FCC. The Commission will continue to verify the certifications of the ETCs receiving high cost funding pursuant to the applicable FCC rules.

IT IS, THEREFORE, ORDERED BY THE COMMISSION, That the CAF II, ROR, and non-incumbent local exchange carrier recipients of high-cost funding, attached hereto as Appendix "A", 2018 filings for high-cost support for which they are eligible during the year 2019, are hereby approved as stipulated herein and certified as compliant with the provisions of §254(e) of the Telecommunications Act of 1996 and 47 C.F.R. § 54. The approval granted herein is, however, contingent on the recipients of high-cost funding compliance with all provisions of this Order.

IT IS FURTHER ORDERED BY THE COMMISSION, That the approval and certifications addressed herein shall be further contingent upon satisfactory results from the Commission's ongoing review as set forth in this Order. To that end, any recipient of high-cost funding shall file the information required by the Form 481 with the FCC.

IT IS FURTHER ORDERED BY THE COMMISSION, That any recipient of high-cost funding shall file their proposals for the utilization of the funding for which they are eligible in the year 2020 no later than July 10, 2019. Interested parties may submit comments in response to the foregoing filings no later than July 24, 2019. Reply comments will be considered by the Commission if received on or before July 31, 2019.

IT IS FURTHER ORDERED BY THE COMMISSION, That jurisdiction in this cause is hereby retained for the issuance of any further order or orders as may appear to be just and reasonable in the premises.


IT IS FURTHER ORDERED, That this Order shall be effective as of the date hereof.

DATED at Montgomery, Alabama, this 28th day of September, 2018.

ALABAMA PUBLIC SERVICE COMMISSION



Twinkle Andress Cavanaugh, President



Jeremy H. Oden, Commissioner



Chris "Chip" Beeker, Jr., Commissioner

ATTEST: A True Copy



Walter L. Thomas, Jr., Secretary

APPENDIX "A"

Ardmore Telephone Company, Inc. (290280)
BellSouth Telecommunications, LLC d/b/a AT&T Alabama (255181)
Blountsville Telephone LLC (250282)
Brindlee Mountain Telephone LLC (250283)
Butler Telephone Company, Inc. (250284)
Castleberry Telephone Company, Inc. (250285)
Century of Alabama, LLC d/b/a CenturyLink (259788 and 259789)
Farmers Telecommunications Cooperative, Inc. (250290)
Frontier Communications of Alabama, LLC (250306)
Frontier Communications of Lamar County, LLC (250301)
Frontier Communications of the South, LLC (250318)
GTC, Inc., d/b/a Consolidated Communications/GTC (210291)
Gulf Telephone Company (250298)*
Hayneville Telephone Company, Inc. (250299)
Hopper Telecommunications LLC (250300)
Knology of the Valley, Inc. d/b/a Knology or d/b/a WOW! Internet, Cable and Phone (220371)
Knology Total Communications, Inc. d/b/a Knology or d/b/a WOW! Internet, Cable and Phone (250295)
Millry Telephone Company, Inc. (250304)
Mon-Cre Telephone Cooperative, Inc. (250305)
Moundville Telephone Company, Inc. (250307)
National Telephone Company, Inc. (250286)
New Hope Telephone Cooperative, Inc. (250308)
Oakman Telephone Company (250311)
Otelco Telephone, LLC (250312)
Peoples Telephone Company (250314)
Pine Belt Telephone Company, Inc. (250315)
Ragland Telephone Company, Inc. (250316)
Roanoke Telephone Company, Inc. (250317)
Union Springs Telephone Company, Inc. (250322)
Valley Telephone Company, LLC d/b/a Knology or d/b/a WOW! Internet, Cable and Phone (220324)
Windstream Alabama, LLC (250302)
Hayneville Fiber Transport, Inc., d/b/a Camellia Communications (259008)
Troy Cablevision, Inc. (259025)